

## Message Text

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ORIGIN OPIC-06

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FM SECSTATE WASHDC

TO AMEMBASSY FREETOWN

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E.O. 11652: N/A

TAGS: EFIN

SUBJECT: OPIC INVESTMENT PROMOTION IN SIERRA LEONE

1. SINCE OPIC TEAM'S RETURN FROM VISIT TO SIERRA LEONE IN APRIL, OPIC HAS MADE A CONCERTED EFFORT TO FIND UNITED STATES INVESTORS FOR SIERRA LEONE IN THREE PROJECTS SELECTED FROM THOSE IDENTIFIED DURING WISS' TWO WEEK SURVEY. OPIC HAS ATTRACTED SUBSTANTIAL INTEREST IN THE CHROMIUM MINE PROJECT, WHICH CONTINUES TO BE ACTIVELY PURSUED. OPIC ALSO INTERESTED COMPANIES IN THE FISHING/SHRIMPING PROJECT; HOWEVER, THE RECENT ANNOUNCEMENT THAT RUSSIAN INTERESTS HAVE AN EXCLUSIVE POSITION IN SIERRA LEONE HAS CAUSED OPIC TO DISCONTINUE PROMOTING FISHING ASPECT OF THIS PROJECT. THE PINEAPPLE/TOMATO CANNING PROJECT HAS ATTRACTED NO INTEREST AMONG U.S. AGRIBUSINESS FIRMS OPIC CONTACTED. CABLE WILL SUMMARIZE ACTIVITIES ON THE THREE SELECTED PROJECTS TO DATE.

2. (A) CHROMIUM MINE. OPIC CREATED CONSIDERABLE INTEREST

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IN CHROMIUM MINE AMONG CHROMIUM USERS IN THE U.S. EXTENSIVE

INFORMATION ABOUT THE MINE AND DEPOSIT HAS BEEN DEVELOPED BY OPIC AND PROVIDED TO 11 COMPANIES. OPPORTUNITY WAS PUBLICIZED IN OPIC PUBLICATION TOPICS AND AMERICAN METAL MARKET DAILY ALSO PICKED UP STORY. ONE COMPANY, NEW JERSEY ZINC, HAS VISITED SIERRA LEONE AND IS APPLYING FOR A PROSPECTING

LICENSE. THREE OTHER COMPANIES HAVE SAID THEY INTEND TO VISIT SIERRA LEONE SOME TIME IN THE NEXT SEVERAL MONTHS. BECAUSE OF THE POTENTIAL IMPORTANCE OF THIS PROJECT, OPIC CONTINUES TO FOLLOW DEVELOPMENTS CLOSELY AND ENCOURAGE U.S. COMPANIES TO PURSUE IT. REACTIONS OF COMPANIES CONTACTED TO DATE ARE AS FOLLOWS: BETHLEHEM AND U.S. STEEL INDICATE THEY WILL HAVE GEOLOGISTS INVESTIGATE DEPOSIT, U.S. STEEL PROBABLY IN JANUARY. CABOT CORPORATION ANALYSTS ARE STILL EVALUATING PROJECT; WITHIN TWO WEEKS OPIC SHOULD KNOW CABOT'S INTENTIONS REGARDING A VISIT. FRANK TYE, REPRESENTING NEW JERSEY ZINC, REPORTS THAT HIS SIERRA LEONE SOLICITOR IS IN PROCESS OF SUBMITTING REQUEST FOR EXCLUSIVE PROSPECTING LICENSE. CAEMI INTERNATIONAL AND GLOBE METALLURGICAL, A CONSUMER, ARE INTERESTED AND HAVE RECEIVED INFORMATION FROM OPIC. HARBISON-WALKER REFRACTORIES, A USER OF REFRACTORY CHROME, HAS TOLD OPIC THAT IT MAY BE INTERESTED IN PURCHASING THE OUTPUT OR ENTERING INTO A "JOINT VENTURE" TO MINE THE CHROMIUM; BUT DOES NOT APPEAR INTERESTED IN PUTTING A MINING PROJECT TOGETHER.

AMAX REVIEWED THE MATERIAL AND DECIDED AGAINST PURSUING THE PROJECT. UTAH INTERNATIONAL AND THE DEAN OF ARIZONA'S COLLEGE OF MINING (ACTING FOR UNDISCLOSED PRINCIPAL) HAVE RECENTLY BEEN SENT INFORMATION ON THE PROJECT. OPIC WILL KEEP EMBASSY INFORMED AS NEW DEVELOPMENTS OCCUR.

3. (B)FISHING/SHRIMPING PROJECT. FOLLOWING RECENT COMMUNICATIONS FROM EMBASSY ON PREEMPTION OF FISHING IN SIERRA LEONE BY RUSSIAN INTERESTS, PROMOTION EFFORTS ON THIS PROJECT HAVE CEASED. SOME U.S. FIRMS CONTACTED HAVE INDICATED SHRIMPING MUST BE CONDUCTED IN TANDEM WITH FISHING OPERATIONS SINCE TRAWLING FOR BOTH OCCURS FROM THE SAME BOAT. THEREFORE, SHRIMPING PROBABLY CANNOT BE CONDUCTED WITHOUT FISHING, UNLESS AN EXPLICIT ARRANGEMENT CAN BE LIMITED OFFICIAL USE

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ARRANGED WITH GOSL TO ACCOMMODATE THIS PROBLEM. OPIC HAS PROVIDED CONSIDERABLE INFORMATION ABOUT THE PROJECT TO SEVEN INTERESTED COMPANIES INCLUDING RALSTON PURINA, BUMBLEBEE (CASTLE AND COOKE), CONTINENTAL SEAFOOD, SEABOARD ALLIED MILLING, NEW ENGLAND FISHERIES AND BOOTHE FISHERIES. OPIC CONTACTED THE MOST INTERESTED FIRMS TO TELL THEM OF RECENT EVENTS. OPIC WILL BE RECEPTIVE TO INDICATIONS THAT THE SITUATION HAS CHANGED SINCE CONTINENTAL SEAFOOD IN

PARTICULAR CONTINUES TO BE MOST INTERESTED IN EXPANDING ITS SHRIMPING ACTIVITIES IN SIERRA LEONE.

4. (C) TOMATO/PINEAPPLE CANNING. AFTER DISCUSSING WITH COMMERCE DEPARTMENT ITS EFFORTS TO PROMOTE PROJECT, OPIC CONTACTED SIX FOOD PROCESSING COMPANIES AND VISITED ONE TO DISCUSS THE PROJECT. ALL OF THEM -- CAMPBELL SOUP, HUNT-WESSON, DOLE, TIFFANY INDUSTRIES, HEINZ AND DEL MONTE -- RESPONDED NEGATIVELY AND INDICATED THE PROJECT IS NOT AN ATTRACTIVE INVESTMENT PROPOSITION. AS A GENERAL RULE THESE COMPANIES ARE NOT INTERESTED AT THE PRESENT TIME IN GROWING OR PROCESSING THESE PRODUCTS IN WEST AFRICA. NONE IS INTERESTED IN DEVELOPING THE WEST AFRICAN MARKET. MORE-OVER, THERE APPEAR TO BE TECHNICAL WEAKNESSES IN COMBINING TOMATO AND PINEAPPLE IN THE SAME PROJECT. AS A RESULT OF THESE RESPONSES, OPIC IS DROPPING THE PINEAPPLE/TOMATO PROJECT FROM PROMOTION.

5. THROUGHOUT ENTIRE PROMOTION EFFORTS AMBASSADOR AND EMBASSY HAVE PROVIDED EXCEPTIONAL SUPPORT. WITHOUT THIS, OPIC MIGHT NOT HAVE OVERCOME DIFFICULTIES IN IDENTIFYING AND PROMOTING INVESTMENT IN SIERRA LEONE WHICH IN COMPARISON WITH OTHER WEST AFRICAN COUNTRIES LACKS INDIGENOUS ENTREPRENEURIAL GROUP AND ONLY RECENTLY BEGAN COMPREHENSIVE ECONOMIC DEVELOPMENT PLANNING. OPIC APPRECIATES

EMBASSY'S CAPABLE ASSISTANCE TO DATE.

6. REPORT OF WISS VISIT IN FORM OF MEMO TO B. HENDERSON AND G. COOPER DATED MAY 29, 1975 IS BEING POUCHED WITH COPIES OF MEMCONS MORE FULLY DESCRIBING OPIC INITIATIVES WITH U.S. COMPANIES AND THEIR RESPONSES.

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7. OPIC IS CURRENTLY CONDUCTING AN INTERIM EVALUATION OF ITS EFFORTS TO PROMOTE INVESTMENT IN WEST AFRICA TO DETERMINE WHAT HAS BEEN ACCOMPLISHED, HOW IT MIGHT BE BETTER HANDLED AND WHAT PROJECTS AND COUNTRIES MIGHT BE DROPPED OR ADDED TO THE PRESENT LIST. OPIC WILL KEEP EMBASSY ADVISED OF RESULTS OF THIS EVALUATION. DECONTROL FOLLOWING NOVEMBER 6, 1976. KISSINGER

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